

PRECAMBRIAN SHIELD RESOURCES LIMITED  
11th Floor, Petroleum Plaza  
North Tower  
9945 - 108 Street  
Edmonton, Alberta T5K 2G6

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual General Meeting of the Shareholders of Precambrian Shield Resources Limited (the "Company") will be held in Salon 1610 of the Holiday Inn, 107th Street and 100th Avenue, Edmonton, Alberta, on Monday, May 28th, 1979 at the hour of 11:00 o'clock in the forenoon (Edmonton time) for the following purposes:

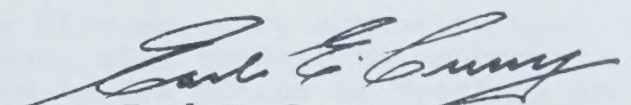
1. To receive and consider the consolidated financial statements of the Company for the financial year ended November 30, 1978, together with the Auditors' Report thereon;
2. To receive the report of the Directors of the Company;
3. To elect Directors for the ensuing year;
4. To appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration;
5. To consider and, if deemed advisable, to adopt a Special Resolution authorizing the Company, in accordance with Section 125(2) of the Companies Act, to:
  - (a) provide money, in accordance with a scheme for the time being in force, for the subscription for or purchase of shares or debt obligations of the Company by trustees to be held by or for the benefit of bona fide employees of the Company or of an affiliate of the Company, and
  - (b) provide financial assistance to bona fide full-time employees of the Company, or of an affiliate, to enable them to purchase shares or debt obligations of the Company to be held beneficially by them.
6. To transact such other business as may properly come before the meeting.


The report of the Directors and the financial statements for the financial year ended November 30, 1978, together with the Auditors' Report thereon form part of the Annual Report of the Company, a copy of which accompanies this Notice.

Shareholders who are unable to attend the meeting in person and who wish to ensure that their shares will be voted at the meeting are requested to complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Information Circular accompanying this Notice.

DATED at Edmonton, Alberta this 2nd day of May, 1979.

BY ORDER OF THE BOARD

  
Earl E. Curry  
President.



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INFORMATION CIRCULAR  
as at April 15, 1979

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of PRECAMBRIAN SHIELD RESOURCES LIMITED (the "Company") for use at the Annual General Meeting of Shareholders of the Company to be held on Monday May 28, 1979 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. All costs of this solicitation will be borne by the Company. In addition to the solicitation of proxies by use of mails, directors, officers and some regular employees may solicit proxies personally or by telephone or telegraph, but will not receive additional compensation for so doing.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are the President and a Director of the Company. A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A form of proxy will not be valid unless it is completed and delivered to the office of the Company, 11th Floor, Petroleum Plaza, 9945 - 108 Street, Edmonton, Alberta, not less than 48 hours (excluding Saturdays and holidays) before the meeting at which the person named therein purports to vote in respect thereof.

A Shareholder who has given a proxy may revoke it by an instrument in writing delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the meeting or, if adjourned, any reconvening thereof, or to the Chairman of the meeting on the day of the meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

The shares represented by the enclosed form of proxy will, if the instructions are certain, be voted on any poll, and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will be voted in accordance with the specification so made. SUCH SHARES WILL ON A POLL BE VOTED FOR THE APPROVAL OF EACH MATTER FOR WHICH NO SPECIFICATION HAS BEEN MADE.

The enclosed form of proxy confers discretionary authority upon the person appointed proxy thereunder with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the meeting. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter.

VOTING SHARES

As of April 15, 1979, the Company had outstanding 7,173,921 fully paid and non-assessable common shares without par value, each share carrying the right to one vote.



So far as the directors and senior officers of the Company are aware, the only persons or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company are Numac Oil & Gas Ltd., 14th Floor, Petroleum Plaza, South Tower, 9915 - 108th Street, Edmonton, Alberta, the holder of 1,051,320 common shares representing 14.65% of those outstanding, and Howard R. Lowe of 3224 Lloyd Mangrum Lane, Billings, Montana, the holder of 754,300 common shares, representing 10.51% of those outstanding.

Any shareholder of record at the close of business on April 23, 1979, who either personally attends the meeting or who has completed and delivered a form of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to vote or to have his shares voted at the meeting.

#### ELECTION OF DIRECTORS

The Board of Directors presently consists of six directors and it is intended to elect the same number for the ensuing year.

The term of office of each of the present directors expires at the Annual General Meeting. The persons named below will be presented for election at the meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director, but should that occur for any reason prior to the meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the Companies Act of British Columbia.

Pursuant to Section 133 of the British Columbia Companies Act, advance notice of the Annual General Meeting was published in the Columbia Newspaper, New Westminster and in the Vancouver Express newspaper on April 2, 1979, and was mailed to the Superintendent of Brokers for British Columbia and the Vancouver Stock Exchange on March 27, 1979.

The following table sets out the names of the nominees for election as directors, the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company and the number of shares of the Company beneficially owned by each, directly or indirectly, as at April 15th, 1979:

Name, Position and Country of Residence*	Principal Occupation or Employment*	Period a Director of the Company	Common Shares Beneficially Owned*
Earl E. Curry President and a Director Resident of Canada	President of the Company	April 28, 1966 to date	329,201
Theodore H. Renner Executive Vice-President and a Director Resident of Canada	Executive Vice-President of the Company; prior thereto Manager Oil and Gas with Luscar Limited; prior thereto Manager Corporate Planning, Norcen Energy Resources Ltd.	March 1, 1979 to date	Nil
Howard R. Lowe (1) Vice-President, Oil and Gas, and a Director Resident of the United States of America	Geologist and Petroleum Engineer; Vice-President, Oil and Gas of the Company	January 30, 1978 to date	754,300



<u>Name, Position and Country of Residence*</u>	<u>Principal Occupation or Employment*</u>	<u>Period a Director of the Company</u>	<u>Common Shares Beneficially Owned*</u>
Walter E. Clarke a Director Resident of Canada	Self-Employed Consulting Geologi- cal Engineer through Walter E. Clarke Engineering Ltd.	April 28, 1966 to date	92,800
John David Curry a Director Resident of Canada	Chief Geologist of the Company	April 28, 1966 to date	316,167
Stewart D. McGregor a Director Resident of Canada	Barrister and Solicitor, Partner Cormie, Kennedy	August 7, 1973 to date	53,000

\* The information as to country of residence, principal occupation and shares beneficially owned has been furnished to the management of the Company by the respective nominees.

(1) Mr. Lowe's wife, Carol A. Lowe, beneficially owns 448,100 shares of the Company, and the Company believes that Mr. Lowe's five children beneficially own in the aggregate 361,100 shares of the Company.

#### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No directors' fees were paid during the year.

The aggregate direct remuneration paid or payable by the Company in the financial year of the Company ended November 30, 1978 to directors as senior officers and to other senior officers of the Company was \$78,957, which included legal fees of \$12,920 paid to a senior officer in his professional capacity as a lawyer.

#### APPOINTMENT OF AUDITORS

Ernst & Ernst, Chartered Accountants, with offices in, among other cities, Edmonton and Vancouver, auditors for the Company since December 11, 1967, will be nominated at the meeting for re-appointment at a remuneration to be fixed by the directors.

#### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company acquired a wholly-owned subsidiary, Howard Resources Ltd. ("Howard") effective January 30, 1978. The Company acquired Howard pursuant to an Agreement (the "Acquisition Agreement") dated December 1, 1977 with all of the shareholders of Howard under which the Company issued 1,882,000 common shares in its capital in exchange for all of the issued and outstanding shares of Howard. Howard is a private company incorporated under the laws of the Province of Alberta on October 23, 1972 and it has been actively engaged in oil and gas exploration in Alberta since it was formed. Prior to its acquisition by the Company, the principal shareholders of Howard were Howard R. Lowe and his wife, Carol A. Lowe, both of 3224 Lloyd Mangrum Lane, Billings, Montana. The remaining shareholders were the children of Mr. Lowe.

Under the terms of the Acquisition Agreement, the Company appointed Howard R. Lowe, one of the vendors of the Howard shares, as a Director and Vice-President, Oil and Gas. Mr. Lowe, a geologist and petroleum engineer, received 922,200 shares of the Company at the closing. Carol A. Lowe, his wife, received 553,320 shares, of which she holds 92,220 shares in trust for her infant daughter. Each of Mr. Lowe's remaining four children, all of whom are resident in the United States, received 92,220 shares of the Company in exchange for their shares of Howard, and Robert Bell of Calgary received 37,600 shares as a finder's fee. The names and addresses of Mr. Lowe's said children on the date of the Acquisition Agreement was as follows: H. Russell Lowe, 18516 West 59th, Golden, Colorado, Linda L. Courtnage, P. O.



Box 1247, Borrego Springs, California, Sarah E. Jobe, 7857 Iona Way, Sacramento, California, A. Michel Lowe, 1719 East 16th, Denver, Colorado. The Company understands that all of the Vendors under the Acquisition Agreement have since sold some of these shares.

After the closing of the Acquisition Agreement, the Company executed a limited guarantee to the extent of \$125,000 of the indebtedness of Howard to a Canadian chartered bank, which concurrently released Mr. Lowe from his guarantee of Howard's indebtedness. Howard's indebtedness to the bank has since been discharged.

Reference is made to "Authorization to Provide Money for Purchase of Shares by Employees" with respect to the Company's intention to enter into appropriate agreements pursuant to a Key Employee Stock Purchase Plan with respect to Theodore H. Renner, its Executive Vice-President and a Director of the Company, and other key employees.

AUTHORIZATION TO PROVIDE MONEY FOR PURCHASE  
OF SHARES BY EMPLOYEES

Because of the Company's increased activities, and the need to attract and retain key employees, the Directors of the Company have established a Key Employee Stock Purchase Plan (the "Plan"). The purpose of the Plan is to afford key full-time employees of the Company, to be designated by a committee of the Board, an opportunity to obtain a significant proprietary interest in the Company by in effect providing interest-free loans to the key employees to subscribe for or purchase shares in the capital of the Company.

The British Columbia Companies Act requires that prior to a company providing money or giving financial assistance for the subscription for or purchase of shares by or on behalf of bona fide employees of the Company authorization by special resolution must be obtained.

The total number of shares of the Company reserved for subscription under the Plan will not exceed 5% of the issued share capital of the Company from time to time.

Implementation of the Plan is subject to approval of the Toronto Stock Exchange and any agreement entered into by a key employee pursuant to the Plan will comply with the requirements of the Toronto Stock Exchange.

Although a proposed employee agreement to be entered into pursuant to the Plan has not yet been finalized and may vary to some extent from the following, the Company presently contemplates that the Plan and the employee agreement to be entered into pursuant thereto will provide that the Company will deliver to a Trustee the Company's cheque, payable to the Trustee, for an amount equal to the purchase price of the shares of the Company which the employee wishes to subscribe for. The Trustee will then promptly remit to the Company the purchase price for the shares, and the Company will cause the shares to be issued. The Trustee will only be required to make repayment to the Company out of funds received from time to time from the employee. The employee must pay the full purchase price within five years of the agreement. Except in certain circumstances, the employee will not have the right to prepay more than 20% of the purchase price in any one year. Certificates for shares will be released to the employee on a pro-rata basis as they are paid for. Any shares not paid for will be pledged as security for the purchase price and held in escrow by the Trustee.

In effect, the Company's funds will not be depleted under the Plan because the funds it advances to the Trustee will immediately be repaid to the Company as the subscription price for the employee's shares.



If the special resolution referred to above is adopted, the Company intends to enter into appropriate agreements from time to time to permit Theodore H. Renner, who joined the Company on March 1, 1979 as Executive Vice-President and a Director, and other key employees, to acquire shares in the capital of the Company, pursuant to the Plan, at a price per share acceptable to the Toronto Stock Exchange.

A copy of the Plan is available for inspection by the shareholders of the Company, prior to the Annual General Meeting, at the head office of the Company in Edmonton, Alberta, and will be available for inspection at the Annual General Meeting.

#### OTHER BUSINESS

Management is not aware of any matters to come before the meeting other than those set forth in the Notice of Meeting. If other matters properly come before the meeting, it is the intention of the persons named in the form of Proxy to vote the same in accordance with their best judgment of such matters.

